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Viewing cable 06SANJOSE131, ARIAS AND PACHECO ON THE NEXT GOVERNMENT OF COSTA

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Reference ID	Created	Released	Classification	Origin
06SANJOSE131	2006-01-19 20:58	2011-08-30 01:44	CONFIDENTIAL	Embassy San Jose

Appears in these articles:

<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712620.aspx>
<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712631.aspx>
<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712622.aspx>
<http://www.nacion.com/2011-03-17/Investigacion/NotasSecundarias/Investigacion2712633.aspx>

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 SAN JOSE 000131

SIPDIS

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E.O. 12958: DECL: 01/17/2016

TAGS: [PGOV](#) [PREL](#) [ETRD](#) [VE](#) [CS](#)

SUBJECT: ARIAS AND PACHECO ON THE NEXT GOVERNMENT OF COSTA RICA

REF: 05 SAN JOSE 2279

Classified By: Ambassador Mark Langdale for reasons 1.4 (b) and (d)

Summary

¶1. (C) Both President Pacheco and Oscar Arias, frontrunner to be the next president, said in separate meetings with CODEL Burton that they expect a better political climate in Costa Rica after the February 5 elections. Arias said that Costa Ricans have reason to be annoyed with the political class, a do-nothing government, and a fragmented legislature.

Pacheco, while defending his government's record, said that the current legislature was "the craziest in the world" but that the next one will be "more disciplined and intelligent."

Arias said that political parties in favor of the U.S.-Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) will win at least 70 percent of the vote. Arias criticized the USG for "unilateralist" positions on international issues like the Kyoto Protocol and International Criminal Court (ICC). He said he hoped the USG would be "more supportive" of Latin America out of self-interest, if not morality. Pacheco said Arias will be an "imperial" president with tight control over every aspect of governing, especially foreign affairs. End summary.

¶2. (SBU) During the visit of Representative Burton (R-IN) to Costa Rica January 10-12, he and Ambassador paid calls on President Abel Pacheco and former president Oscar Arias

(1986-90), who is likely to be reelected on February 5. The discussions focused on the elections and on what can be expected of the next government.

Oscar Arias's Views

13. (C) Oscar Arias, accompanied by his running mate for first vice president, Laura Chinchilla, said the campaign was physically draining. He said he was the target of attacks from all the other candidates because he supports CAFTA-DR and wants to do away with public monopolies. Arias knew that Ambassador had visited Arias's principal opponent, Otto Solis, and probed Ambassador on his impressions of Solis and wanted to know what Solis had said about him (Arias). Ambassador skirted the question. (Note: In fact, Solis said Arias was corrupt, "probably" in league with narcotraffickers, and hated the United States. See 05 San Jose 2930) Arias told us that Solis was misleading voters by telling them that CAFTA-DR can be renegotiated. Burton commented that renegotiation was out of the question, though "fine-tuning" of the treaty was possible after ratification. Moreover, Burton said Costa Rica will not continue to be eligible for benefits under the Caribbean Basin Initiative (CBI).

14. (C) Arias said that Costa Ricans have reason to be annoyed with the political class. Former presidents are suspected of corruption, and the country has just lost four years with a do-nothing government and fragmented legislature. Though confident of victory in the February 5 elections, Arias pointed out that other Nobel Laureates--Mikhail Gorbachev and Lech Walesa--were rejected by voters. He is urging voters not to split their vote, i.e. to vote both for him for president and for the National Liberation Party (PLN) list for the Legislative Assembly. Although he does not expect a PLN majority in the Assembly, he does expect pro-CAFTA-DR political parties to win at least 70 percent of the vote. Chinchilla noted that the fate of CAFTA-DR will be decided in the newly elected Assembly after May 1; the most the current Assembly can do is vote CAFTA-DR out of the International Relations and Trade Committee. (Note: The chairman of that committee, Rolando Lacle, told us the same thing. See San Jose 91) Chinchilla added that Assembly rules do not permit closing out debate and that there were no shortcuts on ratification, which she doubted would be debated in the plenary before June or July. She said there are currently 37 to 42 votes in favor of CAFTA-DR in the 57-member unicameral Assembly.

15. (C) Arias said he hoped the USG would be "more supportive" of Latin America out of self-interest, if not morality. He said he had planned to send his brother Rodrigo to Washington after the election to seek funds from the Millennium Challenge Account. Ambassador pointed out that those funds were for very poor countries and that Costa Rica's per capita income was well above the cutoff. Arias responded that Costa Rica desperately needed to make investments in infrastructure and that, although the country has been "somewhat successful" economically, it "should not be punished" for that success.

16. (C) Arias criticized the USG for "unilateralist" positions on international issues like the Kyoto Protocol, the ICC, landmine bans, and non-proliferation. (Note: Regarding the last, Arias was probably referring to his Arms Trade Treaty proposal, which he has been lobbying for around the world.) He said these were "moral issues for the good of the world and for the good of everyone." Ambassador responded that while we do not agree on everything, on the key issues in Costa Rica and the region--namely consolidating democracy and fighting poverty with more open economies--we do agree and can work together.

President Pacheco's Views

17. (C) President Pacheco, accompanied by Foreign Minister Roberto Tovar, and Ambassador to the United States Tomas Duenas, began the meeting by enumerating his government's accomplishments, including growth in Costa Rica's monetary reserves, declining infant mortality, and increased longevity. He said that because of his careful, go-slow approach to CAFTA-DR ratification, now 70 percent of the population supports the treaty; before, according to Pacheco, 80 percent were opposed. (Note: Embassy is not aware of any poll showing that at any time a majority of Costa Ricans were against CAFTA-DR.) Pacheco nevertheless expressed relief that, in his words, there were only "117 days left" in his administration.

18. (C) Pacheco complained that his administration was hampered by constant attacks, many of which were from members of his own party, the Social Christian Unity Party (PUSC). He said that the legislature he had to work with was "the craziest in the world" and that the peculiar rules of the legislature allowed a small minority of deputies to block fiscal reform for nearly four years and counting. He said it

was unrealistic to expect much progress on CAFTA-DR in the Legislative Assembly this term because the deputies return from vacation only on February 6 and have less than three months left in their term, including Holy Week. Pacheco was confident that there were sufficient votes in favor of CAFTA-DR and that there would be even more in the next Legislative Assembly. He said the next set of legislators will be "more disciplined and intelligent."

¶9. (C) Pacheco said that Arias will be an "imperial" president, not given to dialogue. He said Arias has already burned his bridges to the public sector labor unions and "will need me (Pacheco) to keep the country from bursting into flames." Pacheco said Arias will keep the reins tight over his ministers, especially the minister of foreign affairs. Tovar said the rumors are that Bruno Stagno, a young Arias protege and currently Costa Rican Permrep in the UN, will head the MFA. Tovar and Pacheco both said that Arias would be wise to keep Ambassador Duenas in Washington. Duenas denied hearing anything from the Arias camp, implying he might accept if asked.

¶10. (C) Representative Burton asked about any evidence of meddling by Hugo Chavez in Costa Rica. Pacheco said he was certain Chavez was funding labor unions and spreading money around marginalized sectors of society, like indigenous groups. As evidence, he cited a letter he received recently from a Talamanca Indian chief of southeastern Costa Rica, with the chief quoting from Simon Bolivar. "What do the Talamanca people know about Bolivar?" Pacheco asked. Pacheco said there were no signs of direct involvement by Chavez in the Costa Rican elections, but he would not be surprised to see Chavez supporting candidates in Nicaragua and Mexico.

Comment

¶11. (C) We expect Pacheco's political career and influence to end the day he leaves office on May 8. He is widely seen as a failure and the reason why his chosen successor, Ricardo Toledo, is polling under 5 percent. Pacheco made a good point, however, about Arias's relationship with public sector labor unions--Arias wants to get rid of the public monopolies that are the source of the unions' strength. This does not mean Arias will privatize; he will not. Instead, he will gradually open up closed sectors of the economy like telecommunications, insurance, and the extraction, refining, and importing of hydrocarbons. The unions see such an opening as the beginning of the end for the sweet deal they have enjoyed over many years. The struggle between Arias and the unions will be bitter and hard fought.

LANGDALE